

Virginia Results Planning and Performance Report

November 13, 2006

Department of Planning and Budget (122)

Planning and Performance Contact Information

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Mission Statement

Advise the Governor on how to wisely use public resources. Analyze, develop, and carry out fiscal, programmatic, and regulatory policies that benefit all Virginians.

Objectives

1. Submit to Gen. Assembly by 12/20 each year, a budget that is strategic in that it allocates resources among a predetermined set of priorities established by Governor, is transparent in that desired output, results, or accomplishments are articulated & readily identified for gen public & is financially sound in that one-time resources/savings in GF are less than 10% of recommended general operating expense appropriations for ea year of the biennium.
2. Effectively discharges DPBs budget execution responsibilities by reducing the average number of additional administrative appropriations per year by 15% between FY2004-08 with no more than 2% of FATS transactions being placed on DOA error file in any given year.
3. Provide policy improvements to at least 25% of the regulations submitted for regulatory review each year and include such improvements in the final form of the adopted regulations.
4. Increase DPB's role and visibility in program evaluation by establishing, at the beginning of each FY, a schedule of agreed upon evaluations to be performed during the FY with appropriate followup to result in 60% of recommendations being accepted by evaluation customers.
5. Ensure that 60% of all performance measures listed for state agencies on Virginia Results relate directly to major or core services identified by state agencies in strategic plans and 100% of required performance management information on Virginia Results is up-to-date prior to the release of the biennium budget in the odd numbered year.

Activities

1. **Budget Development and Budget Execution Service:** Efforts to prepare a balanced budget bill for the Governor to present to the General Assembly, and to oversee the implementation of the enacted budget.
2. **Legislative Review Service:** Efforts to assess policy issues and costs associated with proposed legislation for decision makers, including the Governor and the General

Assembly.

3. **Performance Management Service:** Efforts to make Virginia state government more efficient and effective by coordinating the development and implementation of strategic plans and performance measures by state agencies.
4. **Regulatory Review Service:** Efforts to evaluate the economic impact of regulations proposed by state agencies and assess whether proposed regulations are clear, necessary, and enforceable.
5. **Program Evaluation Service:** Efforts to evaluate programs and services of state agencies in terms of their stated purpose and organization to ensure a more efficient and cost effective Virginia state government.
6. **Federal Budget Service:** Efforts to conduct in-depth analyses of proposed federal budget actions and legislation to determine how they may impact the citizens of Virginia.
7. **Executive Orders Service:** Efforts to oversee and coordinate the issuance and distribution of executive orders by the Governor.
8. **Support Service:** Efforts to provide supervisory, personnel, fiscal, and technology services to staff in support of the agency's responsibilities and mission.

Customers	Growth Trend
Governor	
Governor's Secretaries	
Governor's Policy Staff	
General Assembly	
State Agencies	
Council on Virginia's Future	

Governor's and Other Initiatives	Status
No Initiatives have been entered for this agency.	

Performance Measures

Measure #1

Average number of days between submission of proposed regulations and completion of DPB review

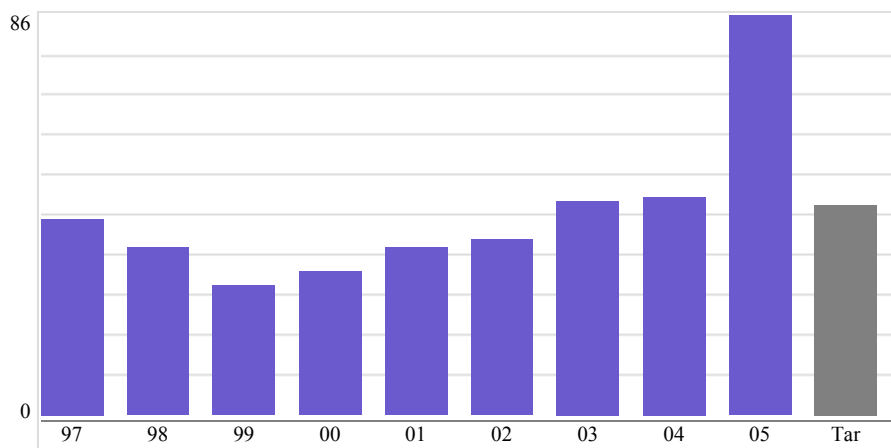
Is this measure a number or percent **Number**

The preferred direction of the trend **Decrease**

Target Value **45** Target Date **2006**

Data Begins **1997** Collection Frequency **Annual**

Year	Measurement	
1997	42.0	
1998	36.0	
1999	28.0	
2000	31.0	
2001	36.0	
2002	38.0	
2003	46.0	
2004	46.7	
2005	85.8	
2006		



Explanatory Note

The sharp increase in 2005 review days links directly to unprecedented turnover of key personnel in the Economic and Regulatory Analysis division. Most of these positions are now filled, which should make 2006 data reflective of that reported in 2003 and 2004.

Title or brief description of the primary data source(s)

Virginia Regulatory Town Hall database

Describe how the measure is calculated

Date submitted (agency submission of proposed regulation in Town Hall) - time completed (DPB recommendation)

Describe how the target is calculated

Set by management

Measure #2

Percentage difference between the official Medicaid forecast and actual expenditures (one year out)

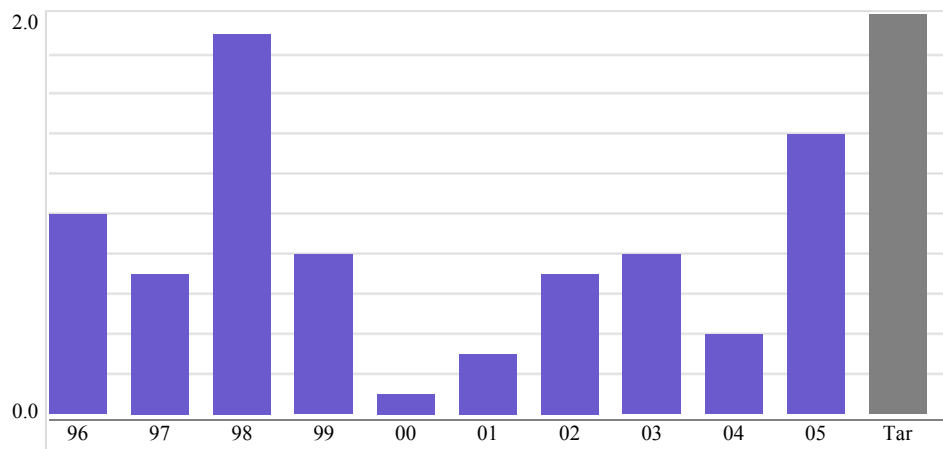
Is this measure a number or percent **Percent**

The preferred direction of the trend **Decrease**

Target Value **2** Target Date **2006**

Data Begins **1996** Collection Frequency **Annual**

Year	Measurement
1996	1.0
1997	0.7
1998	1.9
1999	0.8
2000	0.1
2001	0.3
2002	0.7
2003	0.8
2004	0.4
2005	1.4
2006	



Explanatory Note

Data includes adjustments made for policy actions not reflected in the forecast.

Title or brief description of the primary data source(s)

DMAS/CARS report on total medical assistance expenditures; DMAS/First Health report on total medical expenditures by service category

Describe how the measure is calculated

$$\frac{[\text{Actual total medicaid expenditures} - \text{official forecast of medicaid expenditures}]}{\text{Actual total}}$$

medicaid expenditures

Describe how the target is calculated

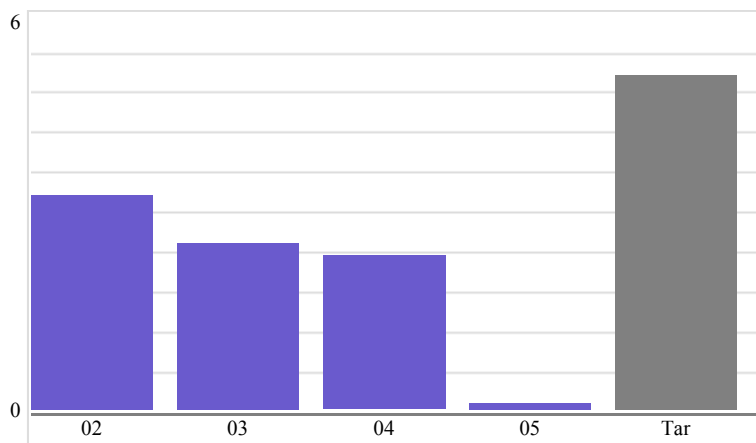
Set by management

Measure #3

One-time savings as a percent of total general fund spending (annual measure)

Is this measure a number or percent **Percent**The preferred direction of the trend **Decrease**Target Value **5** Target Date **2006**Data Begins **2002** Collection Frequency **Annual**

Year	Measurement	
2002	3.2	
2003	2.5	
2004	2.3	
2005	0.1	
2006		

**Explanatory Note**

Data available each December

Title or brief description of the primary data source(s)

Annual, Appropriation Act, Budget working papers

Describe how the measure is calculated

One-time savings divided by total general fund operating appropriations

Describe how the target is calculated

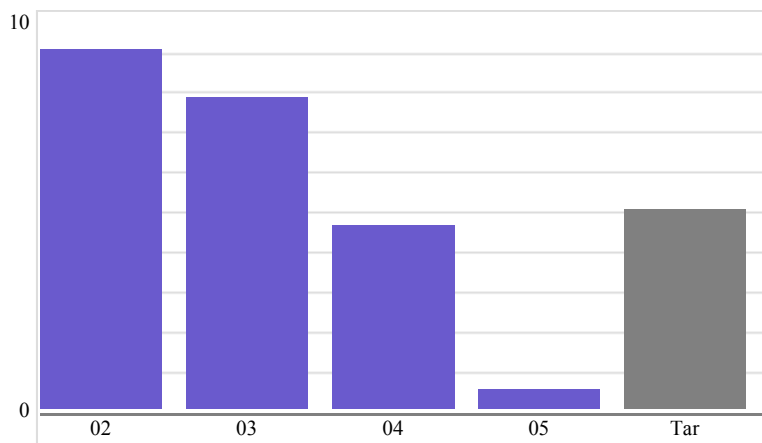
Set by management

Measure #4

Percent of general fund revenue that is one-time in nature (annual measure)

Is this measure a number or percent The preferred direction of the trend Target Value Target Date Data Begins Collection Frequency

Year	Measurement	
2002	9.0	
2003	7.8	
2004	4.6	
2005	0.5	
2006		

**Explanatory Note**

Data available each December

Title or brief description of the primary data source(s)

Annual Appropriation Act, Budget working papers

Describe how the measure is calculated

One-time revenue and transfers divided by total general fund resources

Describe how the target is calculated

Set by management

Measure #5

Actual federal grant funding received as a percent of the amount projected in the most recent budget.

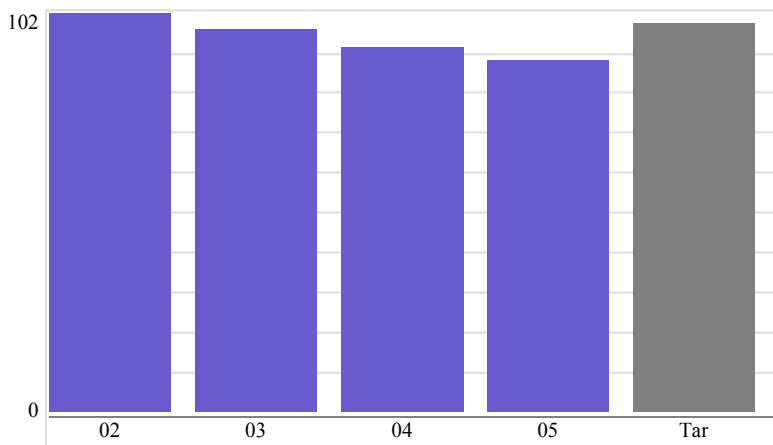
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **99** Target Date **2006**

Data Begins **2002** Collection Frequency **Annual**

Year	Measurement	
2002	101.4	
2003	97.2	
2004	92.7	
2005	89.6	
2006		

**Explanatory Note**

Data available each September, with the official report transmitted in mid-December.

Title or brief description of the primary data source(s)

Finance Secretary's "Economic Outlook and Revenue Forecast" (data columns 1, "Actual," and 2, "Projected" for "Grants and donations: Federal...." from the table, "Nongeneral Fund Revenue Projections," taken from Revenue Class 501.

Describe how the measure is calculated

Total federal revenue collected per year divided by the official federal revenue budget estimate for that year.

Describe how the target is calculated

Target assumes that the best projections will be as close as possible to the eventual result.

Measure #6

Per capita federal grants to Virginia (annual measure)

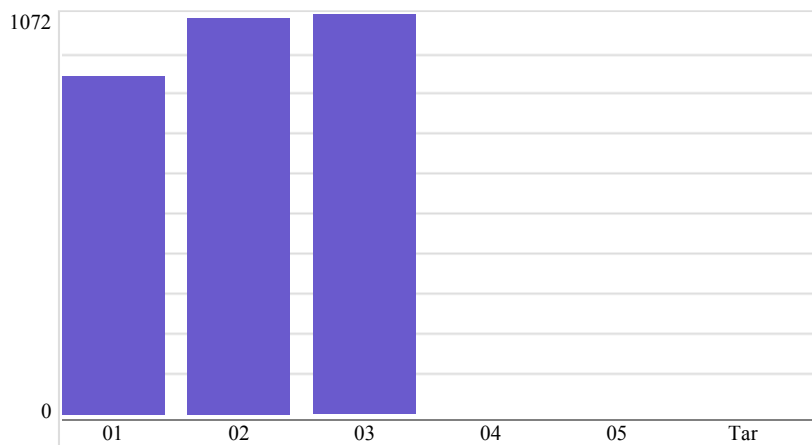
Is this measure a number or percent **Number**

The preferred direction of the trend **Increase**

Target Value Target Date **N/A**

Data Begins **2001** Collection Frequency **Annual**

Year	Measurement	
2001	906.4	
2002	1,062.0	
2003	1,070.7	
2004		
2005		
2006		



Explanatory Note

Census Bureau's target date for providing data is late summer. For FFY 2004 data, issuance will be delayed until about the 2nd week of December 2005, due to internal database and administrative changes, etc. Census contact is Edward Trevelyn, 301/763-7274. As U.S. Census Bureau collects more missing data, the values for recent years will rise. Thus, updated numbers will show a slightly steeper rise from 2001 to 2003 than apparent now.

Title or brief description of the primary data source(s)

Consolidated Federal Funds Report (US Census Bureau), Table 4, "Federal Government Expenditure for Grants, by Agency, by State and...." Incl. formula, block, & project (discretionary) grants plus coop. agreements. Pop data: 7/1 Bur. of Census estimates.

Describe how the measure is calculated

Federal grants divided by population. Grant awards to Virginia localities, non-profits, and state agencies are included in numerator. Over time, the federal grant total is updated with missing data, so the value for earlier years becomes more complete.

Describe how the target is calculated

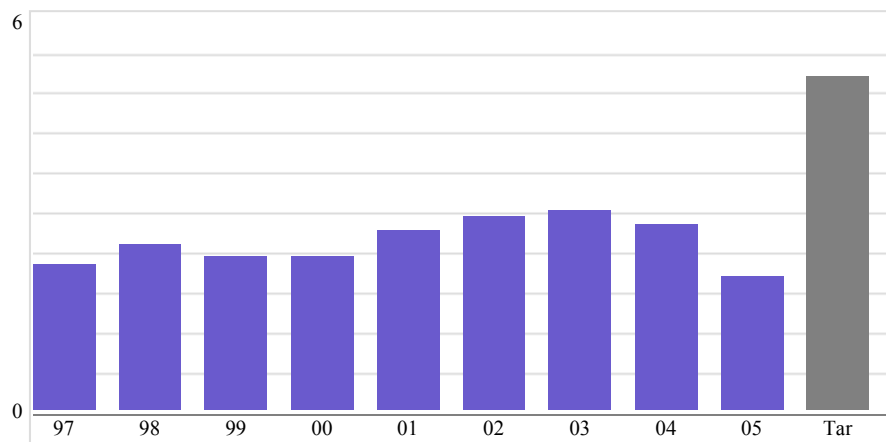
No target, but increase usually desirable. An increase in per capita federal \$ may reflect an increase in payments in programs that reflect a rise in poverty, e.g., Medicaid and S-CHIP.

Measure #7

Debt service on tax supported debt as a percent of tax revenue (annual measure)

Is this measure a number or percent **Percent**The preferred direction of the trend **Decrease**Target Value **5** Target Date **2006**Data Begins **1997** Collection Frequency **Annual**

Year	Measurement	
1997	2.2	
1998	2.5	
1999	2.3	
2000	2.3	
2001	2.7	
2002	2.9	
2003	3.0	
2004	2.8	
2005	2.0	
2006		

**Explanatory Note**

Data is available each December. 2004 reflects data from the Debt Capacity Advisory Committee Report, whereas 2005 is projected.

Title or brief description of the primary data source(s)

Report of Debt Capacity Advisory Committee each December.

Describe how the measure is calculated

Debt service expense divided by annual tax revenue.

Describe how the target is calculated

Set by management.

Measure #8

Percent of capital projects identified the first biennium of the plan actually included in Governor's introduced budget (annual measure)

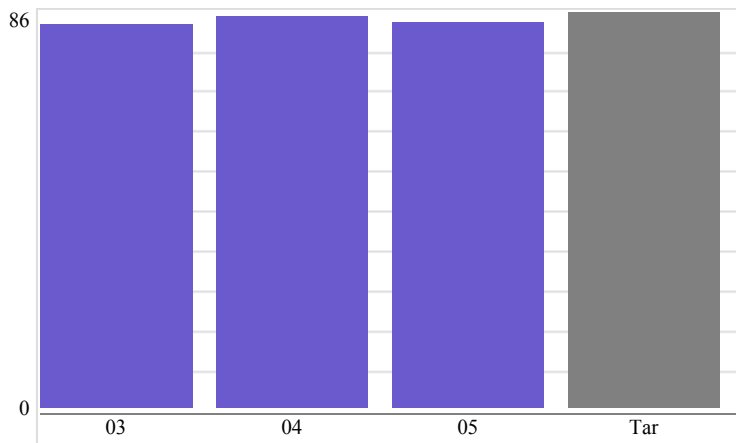
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **85** Target Date **2006**

Data Begins **2003** Collection Frequency **Annual**

Year	Measurement	
2003	82.4	
2004	84.1	
2005	82.8	
2006		

**Explanatory Note**

Data are available in December of odd numbered year.

Title or brief description of the primary data source(s)

Budget bill and Governor's Six-Year Capital Outlay Plan

Describe how the measure is calculated

Number of capital projects in introduced biennium bdgt included in 1st biennium of 6-yr capital plan divided by total number of projects in 1st biennium of 6-yr plan. For 2004, data include projects in HB/SB29, HB/SB30, as well as introduced bond bill.

Describe how the target is calculated

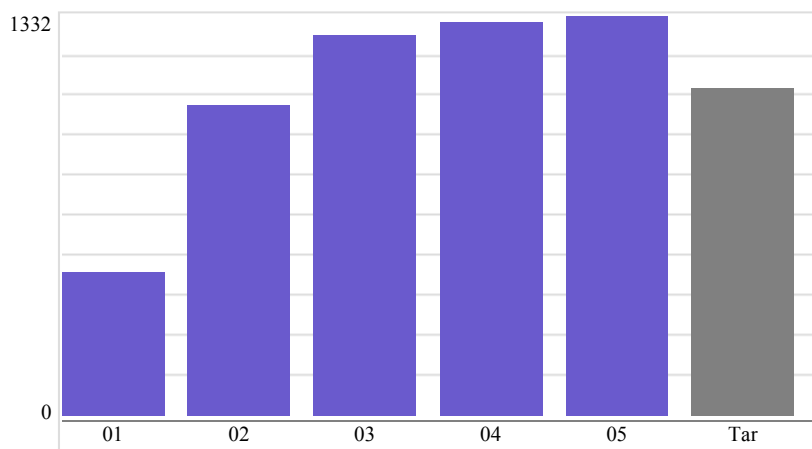
none

Measure #9

Time (days) from capital outlay project authorization to completion (annual measure)

Is this measure a number or percent The preferred direction of the trend Target Value Target Date Data Begins Collection Frequency

Year	Measurement	
2001	481.0	
2002	1,033.0	
2003	1,266.0	
2004	1,310.3	
2005	1,331.0	
2006		

**Explanatory Note**

This number will vary based upon project complexity.

Title or brief description of the primary data source(s)

Capital Outlay Process (C.O. Forms)

Describe how the measure is calculated

Average time in days from project authorization to project completion.

Describe how the target is calculated

none

Measure #10

Time (days) from capital outlay project authorization to date of contract with architect (A/E)
(annual measure)

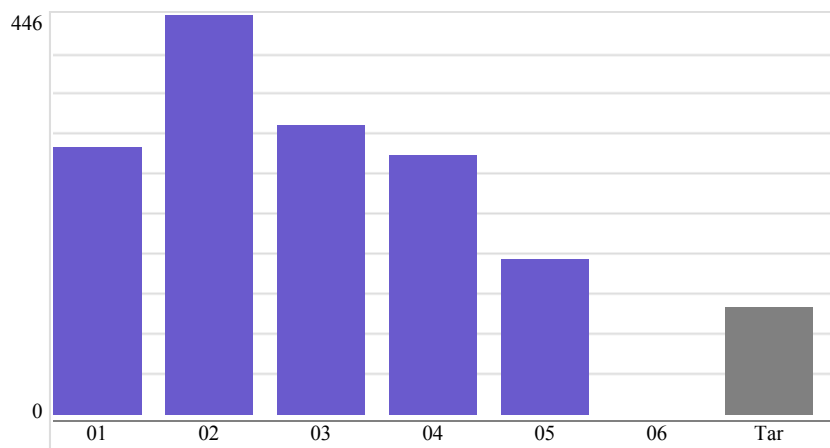
Is this measure a number or percent **Number**

The preferred direction of the trend **Decrease**

Target Value **120** Target Date **2006**

Data Begins **2001** Collection Frequency **Annual**

Year	Measurement	
2001	298.0	
2002	445.0	
2003	323.0	
2004	291.0	
2005	174.2	
2006		

**Explanatory Note**

This number will vary based upon project complexity.

Title or brief description of the primary data source(s)

Capital Outlay Process (C.O. Forms)

Describe how the measure is calculated

Average time in days from project initiation to signing of architect contract.

Describe how the target is calculated

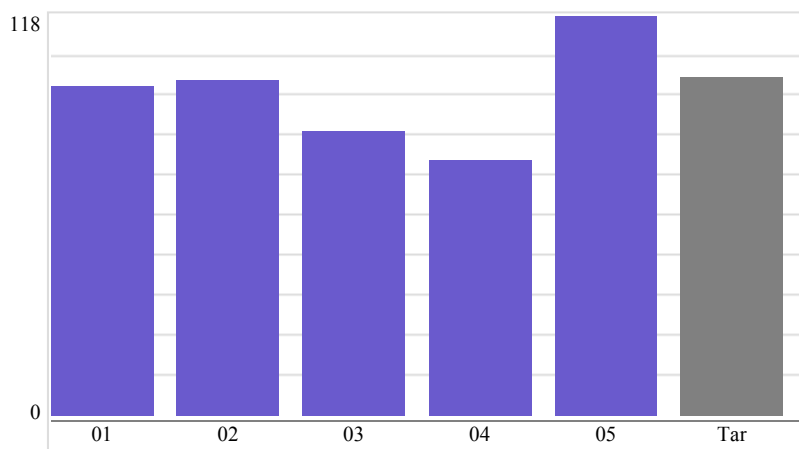
none

Measure #11

Original capital outlay project cost estimate vs. final project cost (annual measure)

Is this measure a number or percent **Percent**The preferred direction of the trend **Decrease**Target Value **100** Target Date **2006**Data Begins **2001** Collection Frequency **Annual**

Year	Measurement	
2001	97.5	
2002	99.4	
2003	83.9	
2004	75.4	
2005	117.8	
2006		

**Explanatory Note**

There were savings due to canceled projects.

Title or brief description of the primary data source(s)

Capital Outlay Process (C.O. Forms)

Describe how the measure is calculated

Original project cost divided by final project costs (annual measure).

Describe how the target is calculated

none

Department of Accounts (151)

Agency Head Contact Information

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Mission Statement

To provide a uniform system of accounting, financial reporting, and internal control adequate to protect and account for the Commonwealth's financial resources.

Objectives

1. Complete the implementation of the DOA report distribution system (Reportline) to allow 100% of Commonwealth agencies the opportunity to access DOA's accounting reports electronically by June 30, 2005. This system allows for the desktop viewing of reports at any agency of the Commonwealth while decreasing the DOA cost for printing and distributing reports to agencies.
2. Increase the utilization of electronic commerce programs by achieving the following targets by June 30, 2006: -90% of all salary employees using direct deposit -20% of employees using Payline in lieu of receiving paper earnings notices -85% utilization of eligible transactions for the Small Purchase Procurement Card -65% utilization of EDI for state employee travel reimbursements
3. Complete the CIPPS field expansion project by December 31, 2004. This is a major project that expands the size of most fields and the structure of the database in the GEAC (payroll) software. This project is required by the vendor to ensure DOA compatibility with vendor software.
4. Replace an unsupported desktop lease accounting system (LAS) with a web-based data entry/inquiry platform with user agency data entry and inquiry capability as well as the ability to download LAS files and reports. This project was initiated in July, 2004 and planned project completion date of 6/30/2005.
5. In accordance with Code § 2.2-1822.1, prepare and issue an RFP and administer the resulting contract to perform recovery audits to identify payment errors made by state agencies and vendors resulting from duplicate payments, invoice errors, failure to apply available discounts, rebates and allowances.

Activities

1. **General Accounting:** Efforts to maintain the general ledger for the Commonwealth

and produce required reports for cash accounting, budget monitoring, and compliance with the Appropriation Act in accordance with Code of Virginia requirements.

2. **Payroll Operations and Financial Analysis:** Efforts to calculate and disburse salaries and wages of state employees using the statewide automated payroll system. This activity is also responsible for the state's small purchase charge card program, federal tax reporting, benefits processing, and payroll accounting and auditing.
3. **Financial Reporting:** Efforts to prepare two annual financial reports: the cash-basis preliminary financial report issued on August 15, and the Comprehensive Annual Financial Report (CAFR) prepared on the basis of generally accepted accounting principals (GAAP) issued on December 15.
4. **Information Resources Management:** Efforts to support the operation of the statewide general ledger system (CARS), the statewide payroll system (CIPPS) and the statewide fixed asset system (FAACS). This activity includes database engineering, hardware engineering, and communication engineering.
5. **Division of Internal Audit:** Efforts to respond to calls to the State Employee Fraud, Waste, Abuse Hotline (established by Executive Order in 1992) and to provide state-of-the-art, high-quality, and cost-effective training for the internal auditors of state agencies.
6. **Administrative Services:** Efforts to provide payroll, invoice processing, accounts payable, and accounting reconciliation services in support of the Departments of Accounts, Treasury, and Planning and Budget and to provide accounts payable services to several other entities.
7. **Payroll Services Bureau:** Efforts to operate a payroll service bureau that supports agency level payroll, leave, and certain human resource and benefit data entry activities for over 5,000 state employees in 38 agencies.
8. **Financial Assistance to Localities:** Efforts to distribute to localities several large shared tax sources, including the distribution of sales taxes, ABC profits and wine taxes, rolling stock taxes, the state recordation taxes, and several smaller taxes.

Customers	Growth Trend
Citizens of Virginia	
Localities of the Commonwealth	
State agencies	
State Employees	

Governor's and Other Initiatives	Status
<i>No Initiatives have been entered for this agency.</i>	

Performance Measures

Measure #1

The percentage of salaried employees utilizing direct deposit of salary rather than receiving a paycheck.

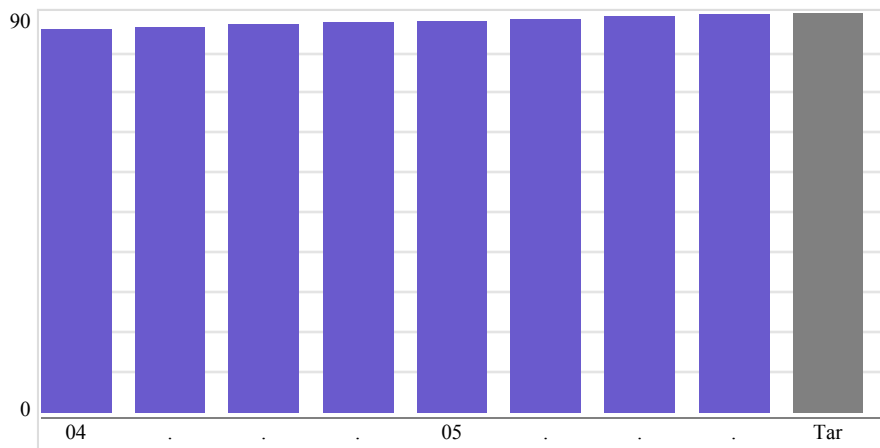
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **90** Target Date **6/30/2006**

Data Begins **2004** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2004	86.2	87.0	87.3	87.8	
2005	88.3	88.7	89.1	89.6	
2006					



Explanatory Note

The quarterly report on Statewide Financial Management and Compliance is published 90 days after the end of each quarter.

Title or brief description of the primary data source(s)

The quarterly report on Statewide Financial Management and Compliance.

Describe how the measure is calculated

The percentage of employees receiving pay via direct deposit versus a paycheck.

Describe how the target is calculated

Divide the number of employees being paid via direct deposit by the total number of employees receiving pay.

Measure #2

100% of state agencies are properly reconciling their internal records to the Commonwealth

Accounting and Reporting System (CARS) in a timely manner.

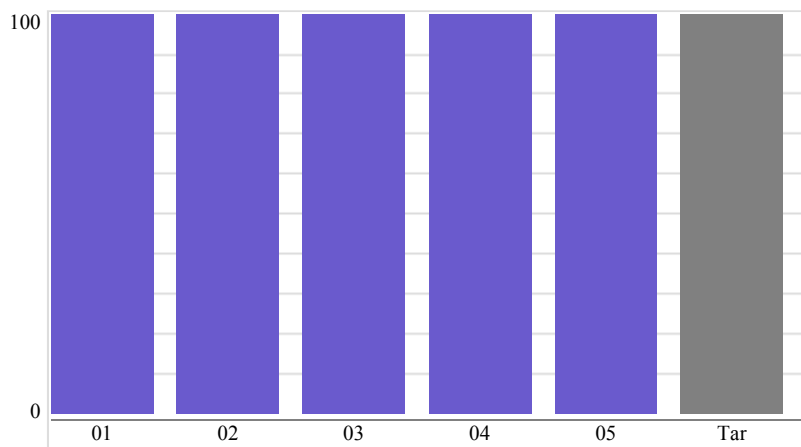
Is this measure a number or percent **Percent**

The preferred direction of the trend **Maintain**

Target Value **100** Target Date **7/20/2006**

Data Begins **2001** Collection Frequency **Annual**

Year	Measurement	
2001	100.0	
2002	100.0	
2003	100.0	
2004	100.0	
2005	100.0	
2006		



Explanatory Note

The updating of this measure is delayed until approximately July 20 of each year.

Title or brief description of the primary data source(s)

Certifications from each agency that they have reconciled their internal records to CARS.

Describe how the measure is calculated

The measure is calculated by ensuring that all agencies submit reconciliations.

Describe how the target is calculated

The target assumes that all agencies will submit reconciliations.

Measure #3

100% of State agencies are spending within their legally approved budget as passed in most recent Appropriation Act.

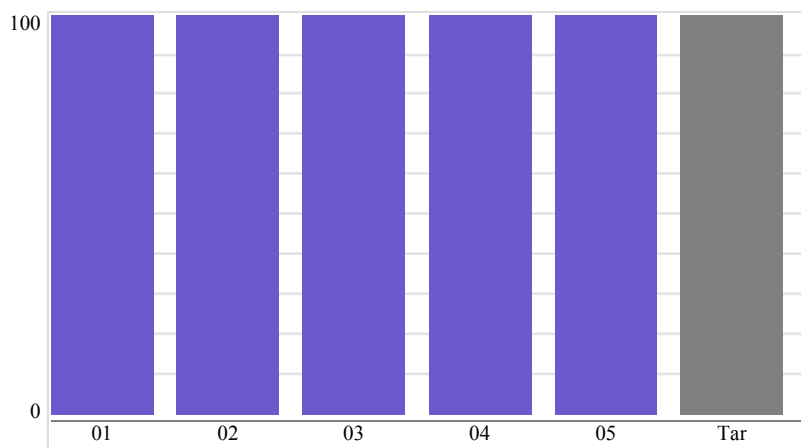
Is this measure a number or percent **Percent**

The preferred direction of the trend **Maintain**

Target Value **100** Target Date **7/20/2006**

Data Begins **2001** Collection Frequency **Annual**

Year	Measurement	
2001	100.0	
2002	100.0	
2003	100.0	
2004	100.0	
2005	100.0	
2006		

**Explanatory Note**

none

Title or brief description of the primary data source(s)

Information in the Commonwealth Accounting and Reporting System (CARS).

Describe how the measure is calculated

CARS reports are reviewed to ensure that all agencies spend within their allotted appropriations.

Describe how the target is calculated

Review of system reports & analysis ensure that all agencies are spending within their available appropriations.

Measure #4

The percentage of employees using Payline (DOA's web-based on-line pay information system).

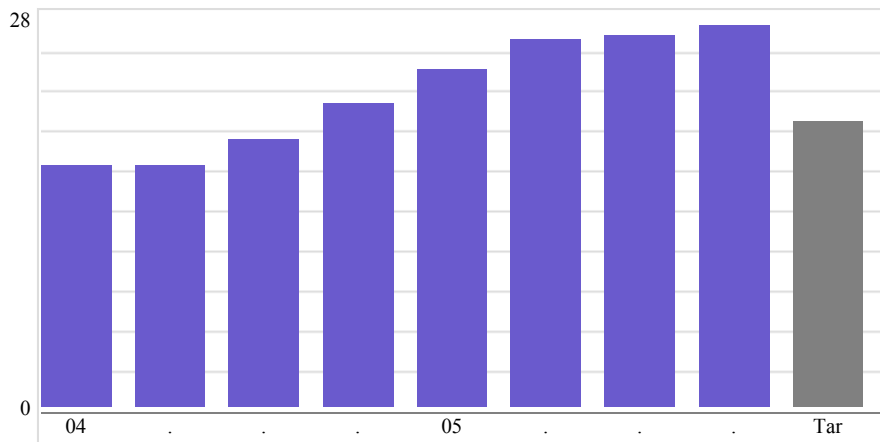
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **20** Target Date **6/30/2006**

Data Begins **2004** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2004	16.9	17.0	18.7	21.3	
2005	23.7	25.7	26.1	26.8	
2006					

**Explanatory Note**

The quarterly Report on Statewide Financial Management and Compliance is published approximately 90 days after the end of a fiscal quarter.

Title or brief description of the primary data source(s)

This information is obtained from the quarterly Report on Statewide Financial Management and Compliance published by the State Comptroller.

Describe how the measure is calculated

The number of employees utilizing Payline divided by total employees paid.

Describe how the target is calculated

The target was developed based upon the level of improvement that the Comptroller expects given the effort & resources provided.

Measure #5

Receive an unqualified audit opinion on the Commonwealth's financial statements.

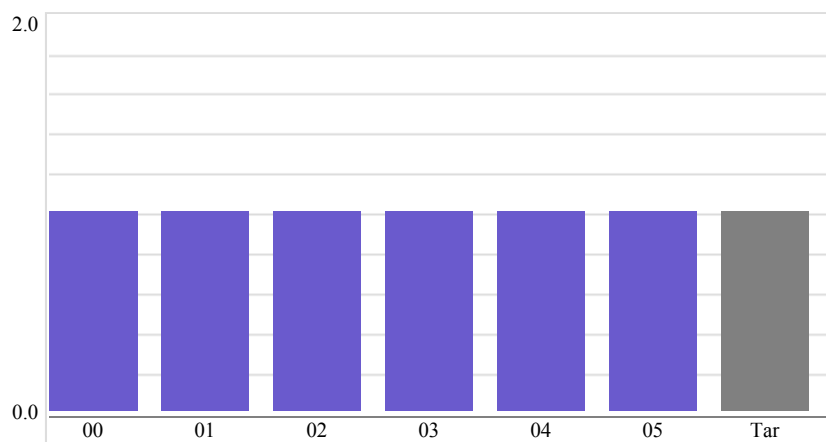
Is this measure a number or percent **Number**

The preferred direction of the trend **Maintain**

Target Value **1** Target Date **12/15/2005**

Data Begins **2000** Collection Frequency **Annual**

Year	Measurement	
2000	1	
2001	1	
2002	1	
2003	1	
2004	1	
2005	1	
2006		

**Explanatory Note**

The Commonwealth Annual Financial Report (CAFR) has received an unqualified opinion for each of the last 10 years. The FY 05 audit opinion will not be signed and issued by the Auditor of Public Accounts until December 15, 2005. The nature of this measure requires that the 2005 measure relates to the FY 2004 financial statements.

Title or brief description of the primary data source(s)

The auditor of public accounts issues an opinion on the Commonwealth Annual Financial Report (CAFR) by December 15 of each fiscal year for the preceeding fiscal year.

Describe how the measure is calculated

The Commonwealth achieved an unqualified opinion on the CAFR in the mid 1980's and it is our target to maintain that record.

Describe how the target is calculated

DOA is expecting to maintain it's record of unqualified audit opinions.

Measure #6

The percentage of eligible transactions processed using the Small Purchase Procurement Card.

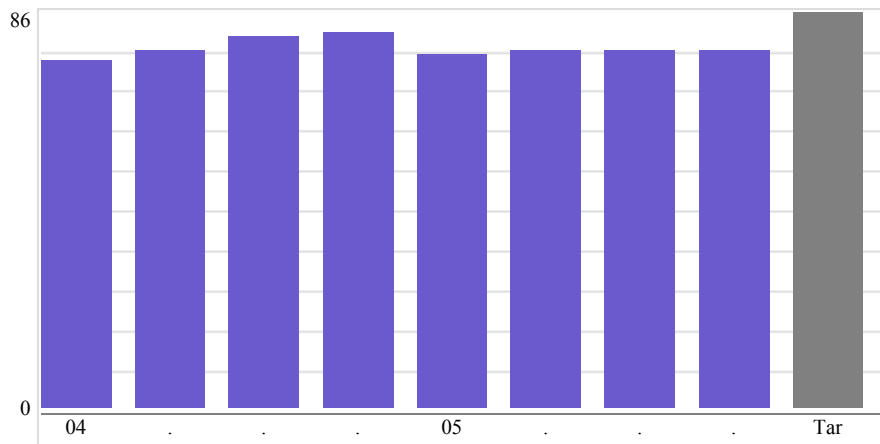
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **85** Target Date **6/30/2006**

Data Begins **2004** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2004	75	77	80	81	
2005	76	77	77	77	
2006					

**Explanatory Note**

none

Title or brief description of the primary data source(s)

This information is published quarterly in the Comptrollers Report on Statewide Financial Management and Compliance.

Describe how the measure is calculated

The percentage represents the payments in compliance of purchases made from participating SPCC vendors using the purchasing card.

Describe how the target is calculated

The percentage of eligible SPCC transactions compared with the total number of transactions.

Measure #7

Ensure the state financial accounting system (CARS), payroll system (CIPPS), and fixed asset management system (FAACS) are available for agency use over 93% of the time from 7 a.m. to 5 p.m. Monday through Friday.

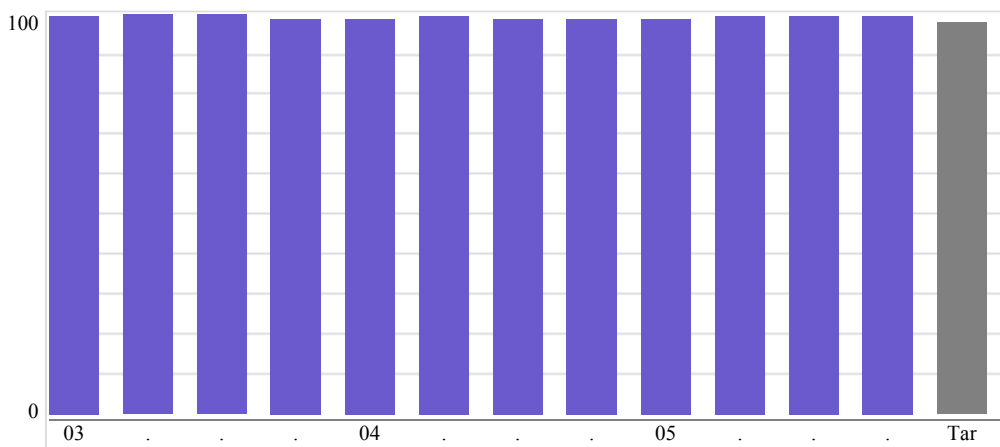
Is this measure a number or percent **Percent**

The preferred direction of the trend **Maintain**

Target Value **98** Target Date **12/31/2005**

Data Begins **2003** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2003	99.6	100.0	100.0	99.0	
2004	99.1	99.5	99.2	99.0	
2005	99.0	99.3	99.7	99.3	
2006					

**Explanatory Note**

The percentage noted is the combined % of system availability for CARS, CIPPS, & FAACS. The second quarter percentage covers the period from July-November, FY2004.

Title or brief description of the primary data source(s)

Data is generated by calculating the hours of system availability per day.

Describe how the measure is calculated

The measure is calculated by taking system availability time compared with total time.

Describe how the target is calculated

The target was calculated as 98% because the systems in DOA are critical to statewide applications and need to be available a high percentage of time.

Measure #8

The percentage of employees receiving travel reimbursements via EDI (Electronic Data Interchange) rather than receiving a travel reimbursement check.

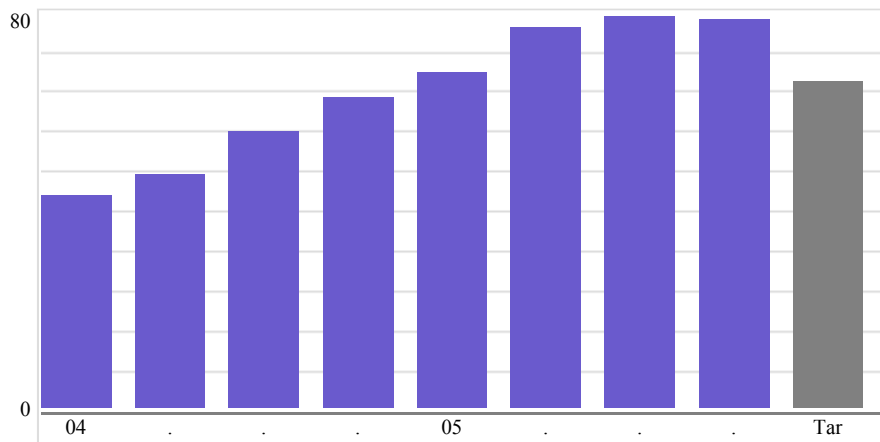
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **65** Target Date **6/30/2006**

Data Begins **2004** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2004	42.4	46.9	55.1	61.8	
2005	67.1	76.1	78.5	77.6	
2006					

**Explanatory Note**

none

Title or brief description of the primary data source(s)

This information is published in the Comptrollers' quarterly Report on Statewide Financial Management and Compliance.

Describe how the measure is calculated

The percentage is calculated by dividing the number of travel reimbursements made via EDI compared with the total number of travel reimbursements.

Describe how the target is calculated

The target was determined by comparing what percentage we should be at compared with the level of resources committed to EDI.

Department of the Treasury (152)

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Mission Statement

The Department of the Treasury (Treasury) is dedicated to serving the Commonwealth by providing excellent financial management and outstanding customer service.

Objectives

1. Complete a study by June 30, 2005 for development of a Financial Literacy Program for citizens of the Commonwealth that will provide access to personal finance information for making educated decisions in the management of their financial future.
2. Increase by 25% the use of electronic benefit payments made by state agencies in order to provide a more efficient and secure payment method and reduce overall costs associated with banking fees, issuing agency check processing charges and postage by June 30, 2005.
3. Target the Local Government Investment Pool to earn at least 25 basis points, after fees, above the Money Fund Monitor Institutional Index over a one-year time period for the benefit of local governments.
4. Reduce by 25% the number of hard copy risk management applications, registrations and claims activity reports through improved web-based, on-line system access by June 30, 2006.
5. Implement a web-based Security for Public Deposits Act deposit reporting system that will comprise 95% of qualified public depositories reporting electronically by June 30, 2005.

Activities

1. **Receipt and Disbursement Services:** Efforts to print and distribute more than 10.8 million Commonwealth checks and earnings notices annually and to reconcile the Commonwealth's 79 bank accounts.
2. **Portfolio Management and Investments:** Efforts to invest all state funds under the control of the Treasurer, including the state's general investment account and the

Local Government Investment Pool, which have average balances of \$2.3 billion and \$4.0 billion respectively.

3. **Debt Issuance and Management Services:** Efforts to issue and manage debt of the Commonwealth and several of its boards and authorities, including the Treasury Board, the Virginia College Building Authority, the Virginia Public Building Authority, and the Virginia Public School Authority.
4. **Cash Management and Banking Services:** Efforts to procure and monitor delivery of both routine and specialized banking services for the Commonwealth, to manage the Commonwealth's banking network and related cash management services, and to forecast the Commonwealth's cash flows.
5. **Risk Management:** Efforts to provide liability, property, and fidelity bond insurance services for all state agencies, institutions, boards, their officials, employees, agents, and volunteers, as well as all constitutional officers of the state and their employees.
6. **Trust Services:** Efforts to account for and report on the Commonwealth's debt and investments, make Commonwealth debt payments, and account for the Commonwealth's bond and trust funds.
7. **Unclaimed Property Administration:** Efforts to administer the Commonwealth's Unclaimed Property Act by serving as the custodian of certain personal properties (both intangible and tangible) until the owners of the properties can be located.
8. **Agency Administration:** Efforts to manage the day-to-day activities of the department, including human resources, procurement, internal auditing, strategic planning and financial policy, budgeting, general management, and agency-wide information services functions.
9. **Agency Accounting and Special Programs:** Efforts to administer the Security for Public Deposits Act to protect public deposits held in banking institutions, and the State Non-Arbitrage Program to assist Virginia governments with compliance with federal arbitrage regulations and safekeep collateral of Virginia insurers.

Customers	Growth Trend
Bondholders	Increasing
Executive Branch	Same
Legislative Branch	Same
Local Governments, Constitutional Officers, and Courts	Same
State Agencies, Institutions, Boards and Authorities	Same
Virginia Citizens	Increasing

Governor's and Other Initiatives	Status
<i>No Initiatives have been entered for this agency.</i>	

Performance Measures

Measure #1

Number of basis points by which general fund investment earnings for the primary liquidity portfolio exceeds the one-year Constant Maturity Treasury yield target of 15 basis points over a five-year period.

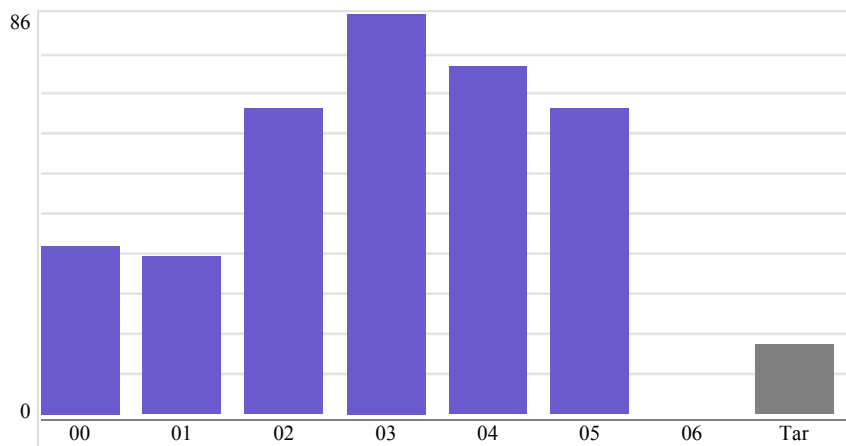
Is this measure a number or percent **Number**

The preferred direction of the trend **Increase**

Target Value **15** Target Date **2006**

Data Begins **2000** Collection Frequency **Annual**

Year	Measurement	
2000	36.0	
2001	34.0	
2002	66.0	
2003	86.0	
2004	75.0	
2005	66.0	
2006		



Explanatory Note

Investment results must be considered over a full 5-year market cycle. The five-year results for FY 2005 = 66.0 basis points above the 15 basis points target.

Title or brief description of the primary data source(s)

General fund investment earnings for the Primary Liquidity Portfolio and the one-year Constant Maturity Treasury yield.

Describe how the measure is calculated

Primary Liquidity Portfolio investment yield minus the one-year Constant Maturity Treasury

yield minus 15 basis points target averaged over a five-year period.

Describe how the target is calculated

Target of 15 basis points was determined to be a reasonable target for this measure.

Measure #2

Percentage by which the number of checks distributed in a timely manner on check issue day and in accordance with agency guidelines exceeds a target of 98.0%.

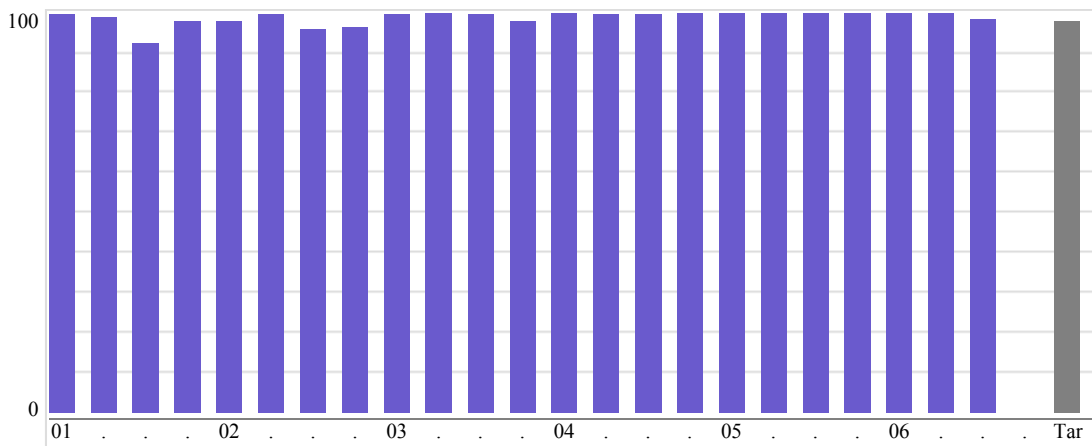
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **98** Target Date **2006**

Data Begins **2001** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2001	99.6	99.2	92.7	97.9	
2002	97.8	99.5	96.0	96.4	
2003	99.4	99.9	99.4	97.8	
2004	100.0	99.5	99.7	100.0	
2005	100.0	100.0	100.0	100.0	
2006	100.0	100.0	98.6		



Explanatory Note

Treasury exceeded its target for the timely distribution of checks on the check issuance day.

Title or brief description of the primary data source(s)

Check processing data logs and production files.

Describe how the measure is calculated

Number of checks distributed on issue day divided by total checks distributed on issue day, computed on a monthly basis and averaged for the quarter.

Describe how the target is calculated

Target of 98% was determined to be the minimum acceptable efficiency percentage for this measure.

Measure #3

Percentage of payments on debt obligations that are paid on time will never be less than 100.0%

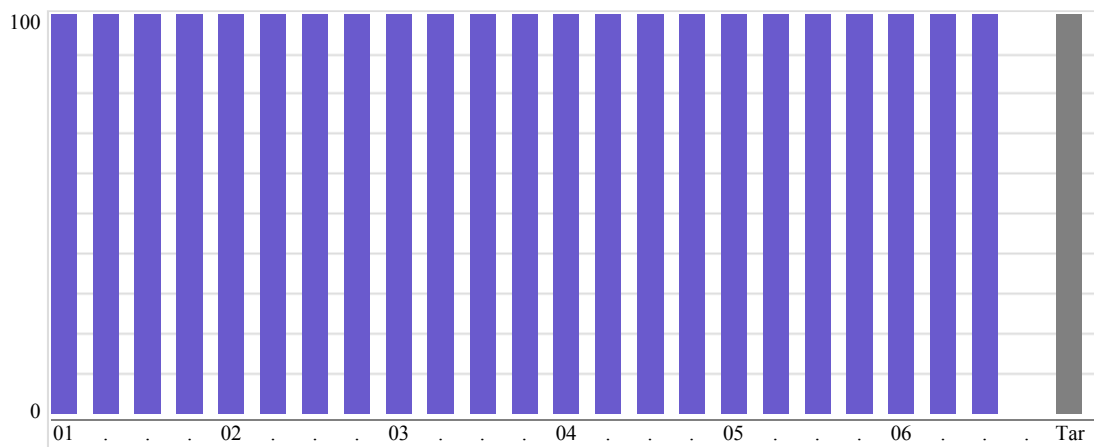
Is this measure a number or percent **Percent**

The preferred direction of the trend **Maintain**

Target Value **100** Target Date **2006**

Data Begins **2001** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2001	100.0	100.0	100.0	100.0	
2002	100.0	100.0	100.0	100.0	
2003	100.0	100.0	100.0	100.0	
2004	100.0	100.0	100.0	100.0	
2005	100.0	100.0	100.0	100.0	
2006	100.0	100.0	100.0		



Explanatory Note

Treasury met its 100% target for payment of all debt obligations in a timely manner.

Title or brief description of the primary data source(s)

Internal data file of debt payments.

Describe how the measure is calculated

Debt service payments made on time divided by the total debt service payments made.

Describe how the target is calculated

The target of 100% was determined to be the minimum acceptable target based on the importance of the measure.

Measure #4

Percentage by which the number of valid unclaimed property claims are paid within 90 calendar days will exceed the target of 98.0%.

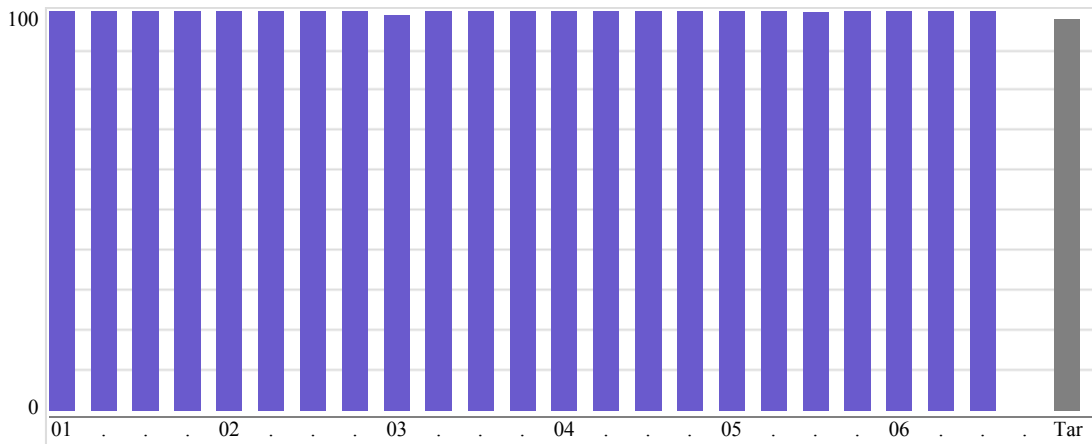
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **98** Target Date **2006**

Data Begins **2001** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2001	100.0	100.0	100.0	100.0	
2002	100.0	100.0	100.0	100.0	
2003	99.1	99.9	100.0	100.0	
2004	100.0	100.0	100.0	100.0	
2005	99.9	100.0	99.3	100.0	
2006	100.0	100.0	100.0		



Explanatory Note

Treasury exceeded its 98% target for payment of valid unclaimed property claims within 90 calendar days.

Title or brief description of the primary data source(s)

Internal system records of claims made and payments made.

Describe how the measure is calculated

Payments made within 90 days divided by total payments made.

Describe how the target is calculated

Target of 98% was determined to be the minimum acceptable efficiency percentage for the measure.

Measure #5

Percentage by which the number of bank accounts reconciled within 45 days of the end of the month will exceed the target of 95.0%.

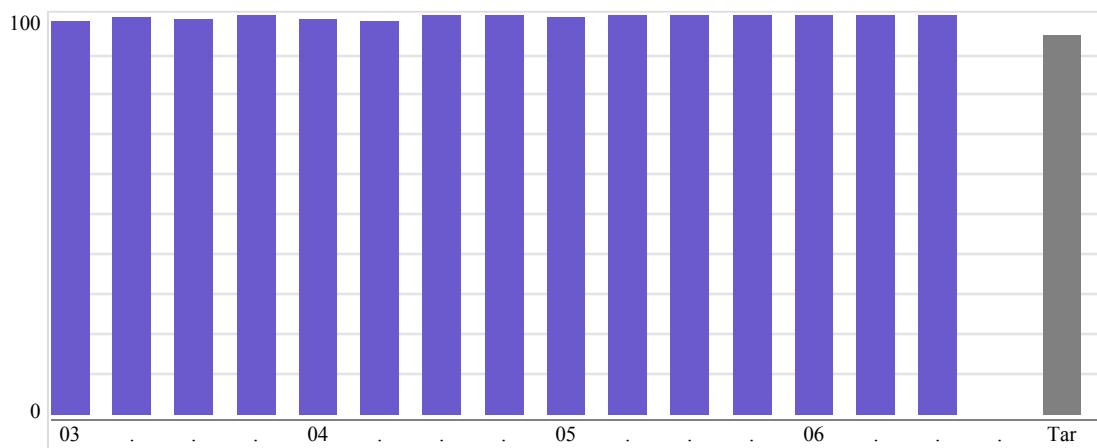
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **95** Target Date **2006**

Data Begins **2003** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2003	98.7	99.7	99.0	100.0	
2004	99.0	98.7	100.0	100.0	
2005	99.6	100.0	100.0	100.0	
2006	100.0	100.0	100.0		



Explanatory Note

Treasury exceeded its target of reconciling its bank accounts within 45 days of the end of the month.

Title or brief description of the primary data source(s)

Internal system accounting records.

Describe how the measure is calculated

Number of bank accounts reconciled for the record month within 45 days divided by the total number of bank accounts to be reconciled computed on a monthly basis and averaged for the quarter.

Describe how the target is calculated

The target of 95% was determined to be the minimum acceptable efficiency percentage for this measure.

Measure #6

Percentage by which the number of bank account reconciling items cleared within 60 days will exceed the target of 95.0%.

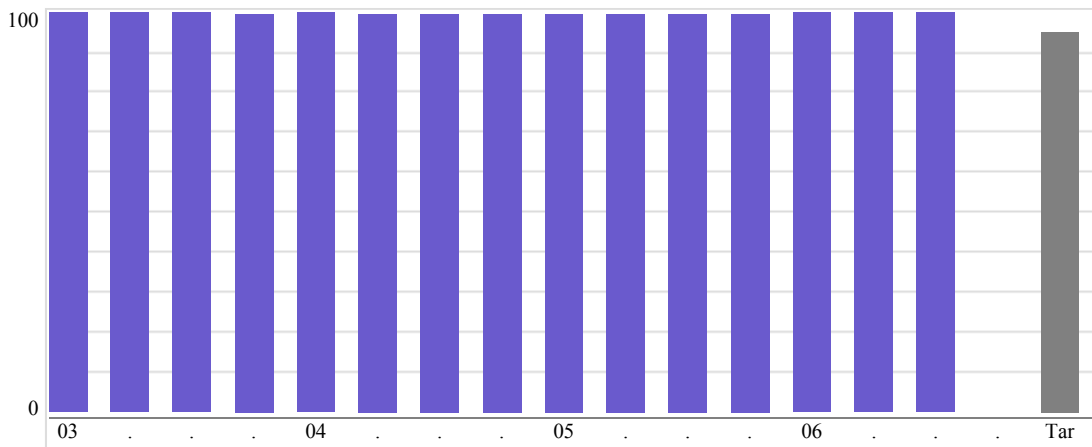
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **95** Target Date **2006**

Data Begins **2003** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2003	99.8	99.8	99.8	99.5	
2004	99.8	99.3	99.7	99.7	
2005	99.6	99.7	99.7	99.6	
2006	99.9	99.9	99.9		

**Explanatory Note**

Treasury exceeded its target of clearing bank account reconciling items within 60 days.

Title or brief description of the primary data source(s)

Internal system accounting records.

Describe how the measure is calculated

Number of reconciling items for the record month cleared within 60 days divided by the total number of reconciling items to be cleared computed on a monthly basis and averaged for the quarter.

Describe how the target is calculated

Target of 95% was determined to be the minimum acceptable efficiency percentage for this measure

Measure #7

The percentage by which the Division of Risk Management will initially respond to an insured within three business days will exceed 90.0%.

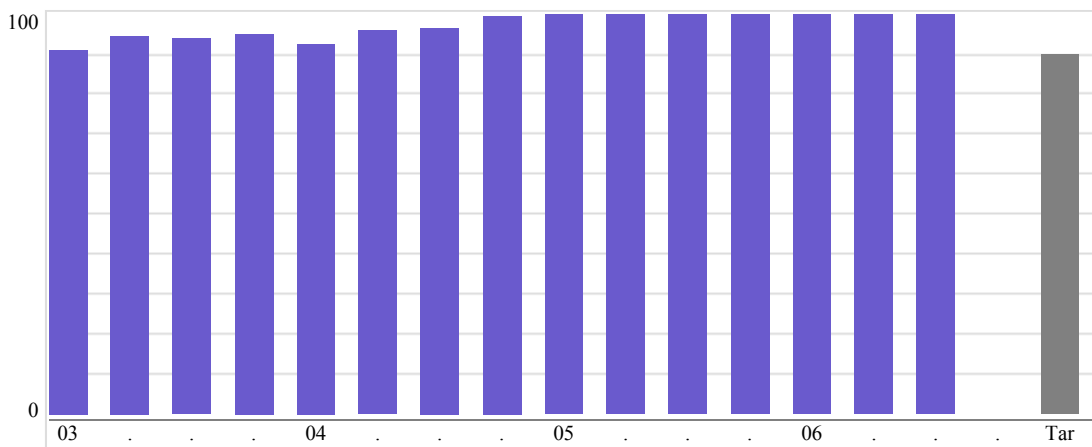
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **90** Target Date **2006**

Data Begins **2003** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2003	90.8	94.6	94.0	95.0	
2004	92.3	96.2	96.3	99.3	
2005	100.0	100.0	100.0	100.0	
2006	100.0	100.0	100.0		



Explanatory Note

Treasury exceeded its target of responding to an insured claim within three business days.

Title or brief description of the primary data source(s)

Internal claims files.

Describe how the measure is calculated

Number of written claims filed for the report period divided by the number of such claims responded to in writing within three business days computed on a monthly basis and averaged for the quarter.

Describe how the target is calculated

The target of 90% was determined to be the minimum acceptable efficiency percentage for the measure.

Department of Taxation (161)

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Mission Statement

Our mission is to serve the public by administering the tax laws of the Commonwealth of Virginia with integrity, efficiency, and consistency.

Objectives

1. Increase electronic filing usage by 7.5% in FY2005
2. For Taxable Year 2004 Timely Filed Returns: 1- Issue 95% of electronically filed refunds within 20 days of receipt of a completed return; 2- Issue 95% of paper-filed refunds within 50 days of receipt of a completed return.
3. Respond to customer correspondence within an average of 30 days of receipt.
4. Collect at least 98 percent of the compliance revenue target that is established each fiscal year.
5. Timely implement all components of the Tax Reform Act of 2004 as required (Last component will be July 2007).

Activities

1. **Channel Operations:** Receives and processes all tax returns including extracting, batching, processing, and depositing all cash and electronic receipts; reviewing attached returns and, where appropriate, correcting errors; and scanning or keying all returns.
2. **Customer Service:** Interacts with taxpayers by responding to correspondence and telephone calls. Participating in this effort are staff in the customer services including tire and fuel tax, nonprofit sales, property tax administration, tobacco enforcement, mapping and railroad units.
3. **Compliance Collections:** Collects taxes due the Commonwealth, through in-house staff, contract collectors, court debt, and debt setoff.
4. **Compliance Audit:** Conducts appropriate audit activities to ensure the identification of all taxes due to the Commonwealth. Staff working in this area include office, field,

and the compliance-planning unit.

5. **Application Development:** Develops, maintains, and tests non-public/private partnership related computer applications for all agency-based software, including VA TAX On-line. This area also programs changes in existing software to comply with changes in tax legislation.
6. **Appeals and Rulings:** Researches and resolves all taxpayer appeals and protests (both state and local) by providing ruling letters, litigation support, and legislative impact analyses.
7. **Revenue Forecasting And Policy Development:** Forecasts all general fund, transportation, car tax, and Department of Motor Vehicles special revenues. Policy development includes tax regulation development, the legislative process, national issues tracking, executive and legislative support, and federal tax legislative tracking and is included here because of impact on state revenues of federal legislation, policies and regulations.
8. **Public-Private Partnership:** Develops and implements the technology necessary to maximize the effectiveness & efficiency of all department operations. The partnership is a multi-year project between Taxation & CGI-AMS, Inc. to enable Taxation to deliver the best service possible to its customers by introducing new customer services, organizational improvements, and operational efficiencies.
9. **Operations Support:** Provides all mail room services, maintains and controls access to all retained tax returns, and provide operational support related to supplies and paper.
10. **Technology Support:** Supports all technology based activities, including configuration management, IT security, quality control, IT disaster recovery, database and Unix administration, asset management, Lotus Notes administration, network and telecommunications support, help desk, and computer operations.
11. **Commissioner's Office:** Provides agency-wide administrative support in the areas of executive management, local government liason, fiscal operations, human resource operations, internal audit, public relations, purchasing, and facilities.

Customers	Growth Trend
Citizens/Taxpayers of the Commonwealth	Increasing
Governor's Office	Same
Federal/State/Local Governments	Increasing
General Assembly	Same
IRS/Professional Associations	Increasing
Management and Employees	Same

Governor's and Other Initiatives	Status
Timely implement all components of the Tax Reform Act of 2004 as required (Last component will be implemented January 1, 2006).	This was a new initiative for FY05. During FY05 TAX implemented both the 2004 and 2005 session provisions timely. 2005 saw the enactment of legislation that accelerated the food tax repeal to July 1, 2005.
Rewrite instructions for preparation of returns in a	Fixed date conformity is ongoing as the

timely fashion. Provide other guidance, on demand, for implementation of fixed-date conformity. Communicate the effect of fixed-date conformity to the tax-paying public in a timely fashion

Congress passes new federal legislation. The Department rewrote all forms and instructions in a timely manner and provided satisfactory guidance as needed.

Performance Measures

Measure #1

Timely implement all provisions of the Tax Reform Act of 2004 as required (Last effective date is January 1, 2006).

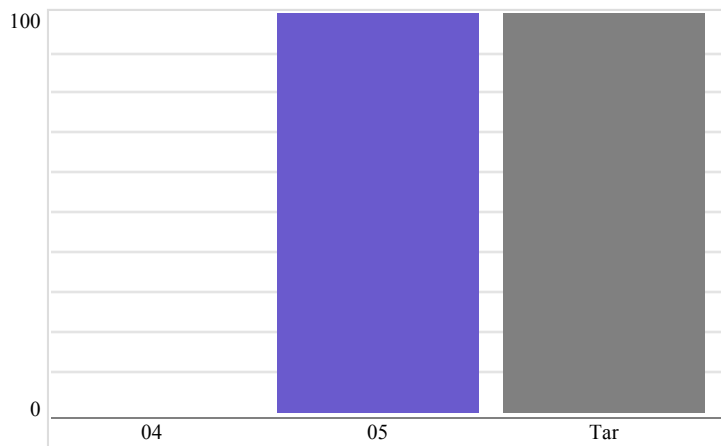
Is this measure a number or percent **Percent**

The preferred direction of the trend **Maintain**

Target Value **100.0** Target Date **1/1/2006**

Data Begins **2004** Collection Frequency **Annual**

Year	Measurement	
2004	0.0	
2005	100.0	
2006		



Explanatory Note

This is a new measure. It is intended to measure the Department's progress towards implementing all 14 different effective dates contained in the many provisions of the Tax Reform Act of 2004. In FY05, all of the Tax Reform implementation activities were on schedule and some are ahead of schedule.

Title or brief description of the primary data source(s)

The Department has a very detailed plan and many implementation schedules to implement the many provisions of this legislation. It is these internal schedules, relevant data, and other information that will be utilized.

Describe how the measure is calculated

The number of effective dates for all provisions implemented timely divided by 14, the total number of effective dates contained in the legislation. The result is then multiplied by 100%.

Describe how the target is calculated

The provisions of this Act contain 14 effective dates and modify provisions of 7 different taxes.

An internal work plan (schedule) was developed to ensure implementation of each provision of each tax modified by this legislation.

Measure #2

Increase individual income tax electronic filing usage by ten percent.

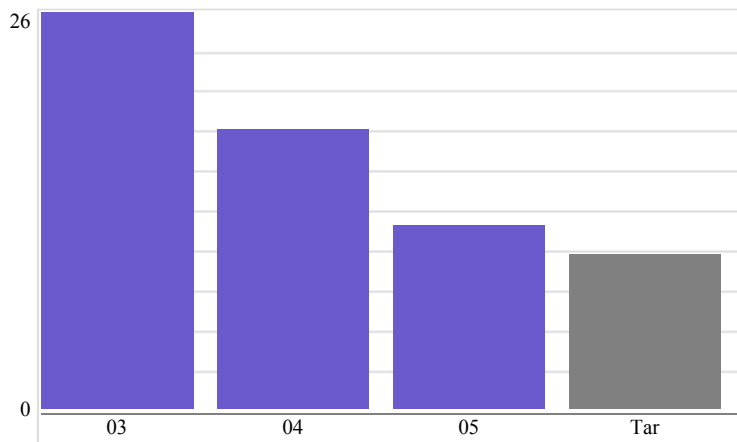
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **10.0** Target Date **6/30/2006**

Data Begins **2003** Collection Frequency **Annual**

Year	Measurement	
2003	25.7	
2004	18.2	
2005	12.0	
2006		

**Explanatory Note**

FY02 is the base year during which 874,480 returns were filed electronically. In FY03 1,099,221 returns were filed electronically for a 25.7 percent increase. In FY04 1,299,746 returns were filed electronically for an increase of 18.2%. In FY05, 1,459,000 returns were filed electronically for an increase of 12%.

Title or brief description of the primary data source(s)

TAX's income tax reports on individual electronic filing usage.

Describe how the measure is calculated

Annually measure the number of individual income tax returns filled through electronic channels and calculate the percentage increase in usage for the current fiscal year compared with the prior fiscal year.

Describe how the target is calculated

Target is developed by the Executive Team and the Commissioner in consultation with the Assistant Commissioner for Channel Operations.

Measure #3

Increase electronic filing of business returns (transactions) by 5.0% annually.

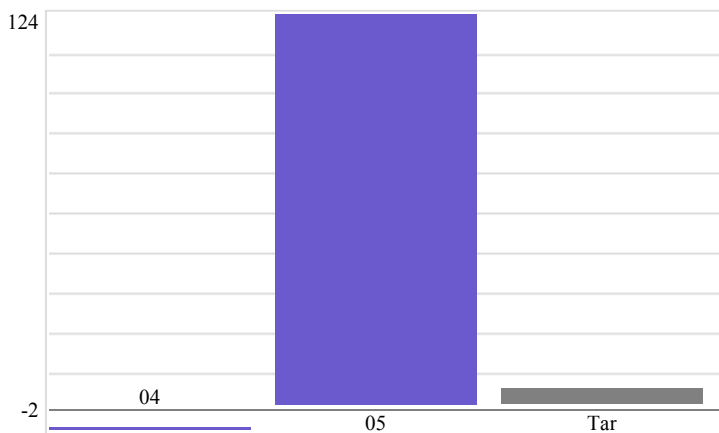
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **5.0** Target Date **6/30/06**

Data Begins **2004** Collection Frequency **Annual**

Year	Measurement	
2004	-0.8	
2005	123.0	
2006		



Explanatory Note

Taxation is continuing to encourage electronic filing of all types of returns. This will measure the percentage increase in business electronic filings (transactions) annually. During FY03 532,536 business transactions were handled electronically. During FY04 528,174 business transactions were handled electronically for a 0.8 % decline. For FY05, 1,177,849 business transactions were handled electronically for a 123% increase. This is a result, in part, of statutory mandates sought by the Governor and passed by the General Assembly.

Title or brief description of the primary data source(s)

This will measure the numbers of business payment transactions made via electronic means in FY05 versus FY04. Data will be captured for EFT filings and the utilization of iFile for business.

Describe how the measure is calculated

Look at the total number of transactions in the latest year available (in FY04; reference year) and calculate the percentage change after determining the total number of electronic transactions in FY05. The objective is for at least a 5% increase.

Describe how the target is calculated

Target is developed by the Executive Team and the Commissioner in consultation with the Assistant Commissioner for Channel Operations.

Measure #4

For Taxable Year 2005 Timely Filed Returns: Issue 95 percent of paper-filed refunds within 50 days of receipt of a completed return.

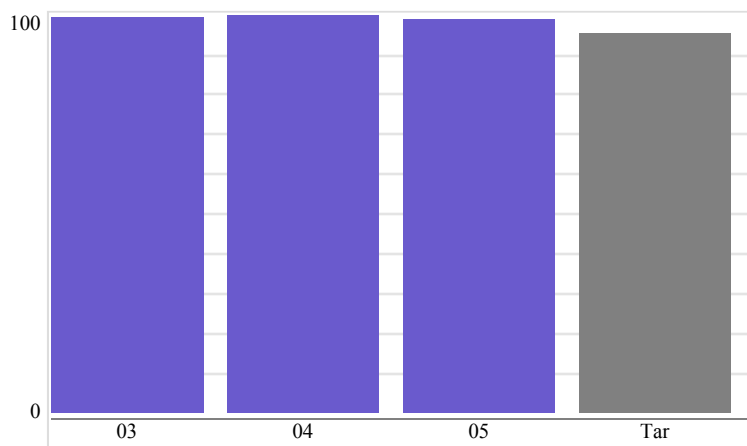
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **95** Target Date **6/30/2006**

Data Begins **2003** Collection Frequency **Annual**

Year	Measurement	
2003	98.8	
2004	99.6	
2005	98.7	
2006		



Explanatory Note

FY 2003 is first year data reported. 98.8% of paper filed refunds were issued in 50 days. Overall 92.7% of ALL refunds were issued within 12 days. For FY04 99.6% of all paper filed returns were issued in 50 days. For FY05, 98.7% of all paper filed returns were issued in 50 days.

Title or brief description of the primary data source(s)

System reports tracking total tax refunds.

Describe how the measure is calculated

Total number of paper refunds issued within 50 days divided by total number of paper refunds.

Describe how the target is calculated

Section 58.1-1833 mandates paper filed refunds be issued within 50 days or interest is paid to the taxpayer. The Executive Team, Commissioner, and the Assistant Commissioner for Channel have determined to at least equal or exceed this mandated standard.

Measure #5

For Taxable Year 2005 Timely Filed Returns: Issue 95 percent of electronically filed refunds within 20 days of receipt of a completed return.

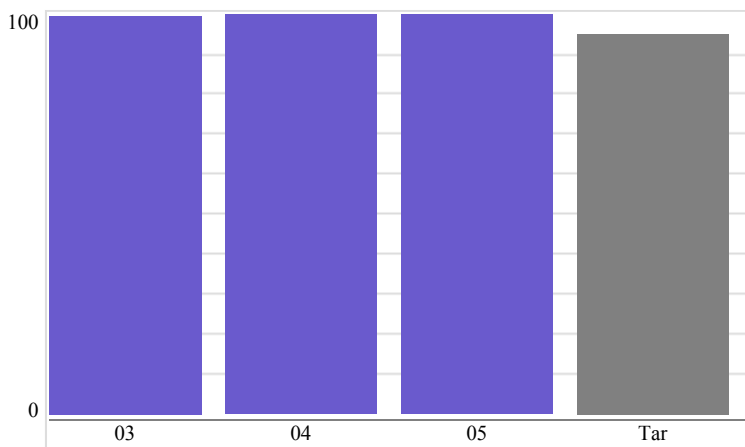
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **95** Target Date **2006**

Data Begins **2003** Collection Frequency **Annual**

Year	Measurement	
2003	99.5	
2004	99.9	
2005	99.8	
2006		



Explanatory Note

FY03 is first year of data. FY03 final= 99.5% of electronic filed refunds were issued in 20 days. All refunds = 92.7% issued within 12 days FY04 Results 99.9% of electronic refunds were issued in 20 days. In FY05, 99.78% of electronic filed refund returns were issued in 20 days or less.

Title or brief description of the primary data source(s)

Internal reports that track all electronic income tax refunds and how long it took to issue them.

Describe how the measure is calculated

Total number of electronic refunds issued within 20 days divided by total number of electronic refunds.

Describe how the target is calculated

Section 58.1-1833 mandates electronic refunds be issued within 20 days or interest is paid to the taxpayer. The Executive Team, Commissioner, and the Assistant Commissioner for Channel have determined to at least equal or exceed this mandated standard.

Measure #6

Collect at least 98 percent of the compliance revenue target that is established each fiscal year.

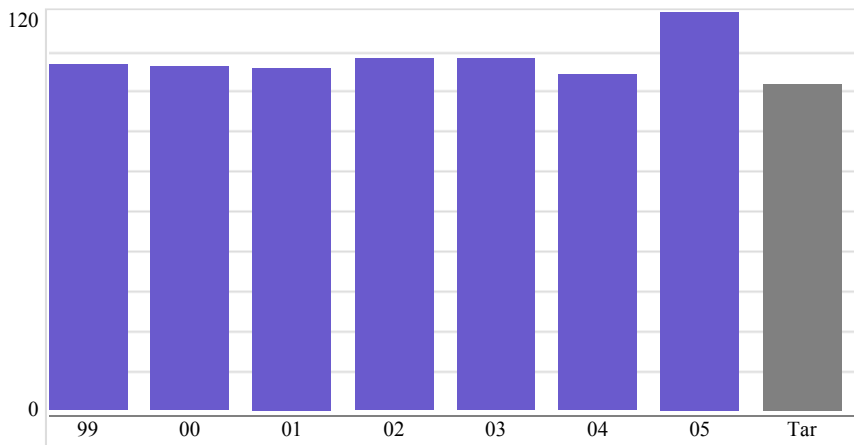
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **98.0** Target Date **6/30/2006**

Data Begins **1999** Collection Frequency **Annual**

Year	Measurement	
1999	103.9	
2000	103.3	
2001	102.5	
2002	105.7	
2003	105.3	
2004	101.0	
2005	119.2	
2006		

**Explanatory Note**

The FY05 target was \$369.7 million with actual collections equaling \$443.1 million. FY2004 Target (including partnership revenue) is \$374.4 million. Actual collections including Partnership revenue was \$378.288 million or a 1.0% error on the estimate. FY99 is first year data reported. Actual nonpartnership fund compliance receipts for FY03 were \$307.089 M versus goal of \$291.7 M; +\$15.4 M or +5.3%. For FY05, collections totaled \$469,320,614 with a goal amount of \$393,600,000.

Title or brief description of the primary data source(s)

Monthly Report of Compliance collections month of June for the year-to-date collections.

Describe how the measure is calculated

Total compliance revenue collections compared to compliance revenue target.

Describe how the target is calculated

The Executive Team, Commissioner, and the Assistant Commissioner for Compliance along with the Chief Economist for Forecasting develop the compliance forecast based on historical compliance collections and the economic and revenue outlook.

Measure #7

Respond to customer correspondence within an average of 30 days of receipt.

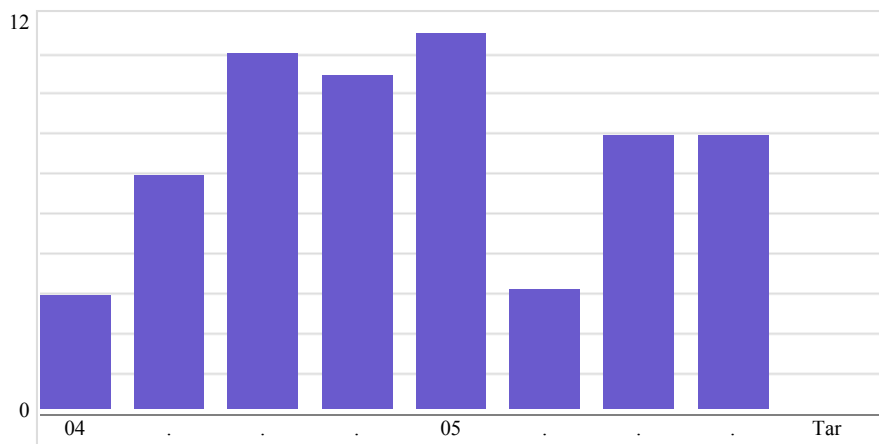
Is this measure a number or percent **Number**

The preferred direction of the trend **Decrease**

Target Value **0** Target Date **6/30/2006**

Data Begins **2004** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2004	3.4	7.0	10.7	10.0	
2005	11.3	3.6	8.2	8.2	
2006					

**Explanatory Note**

At the end of each quarter the outstanding correspondence inventory is converted to the number of days correspondence and reviewed versus the objective of less than 30 days. For example, at the end of September 2003 TAX had only 3.4 days of correspondence back logged.

Title or brief description of the primary data source(s)

The Department keeps an ongoing inventory for both individual and business unanswered correspondence.

Describe how the measure is calculated

At quarter end: determine the current inventory and calculate the number of days on average it will take to clear this correspondence and convert this to an average number of days of a correspondence backlog and compare this to the 30 day objective.

Describe how the target is calculated

The Executive Team, Commissioner, and the Assistant Commissioner for Customer Services set this target using historical performance data.

Measure #8

Handle at least 75% of all telephone calls offered by customers. (Maintain no greater than 25%

abandon rate on telephone calls.)

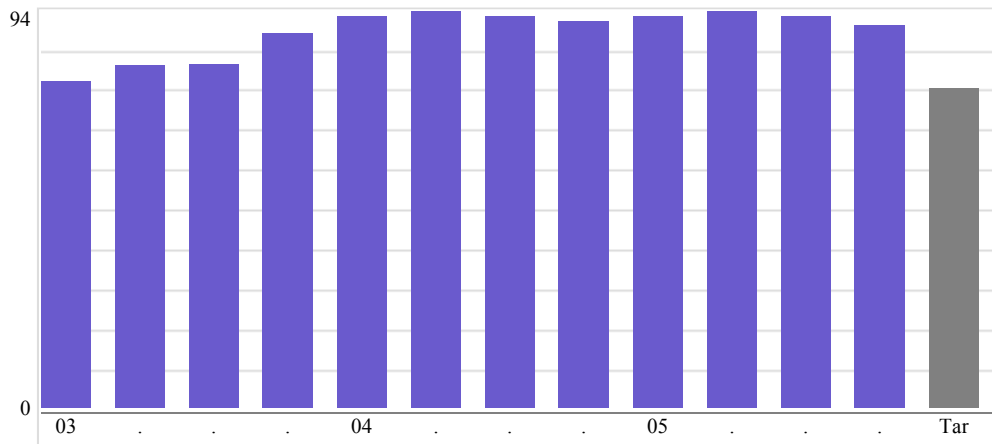
Is this measure a number or percent **Percent**

The preferred direction of the trend **Increase**

Target Value **75** Target Date **6/30/2006**

Data Begins **2003** Collection Frequency **Quarterly**

	Q1	Q2	Q3	Q4	
2003	76.7	80.6	80.8	87.9	
2004	92.2	93.0	91.9	90.8	
2005	92.0	93.0	92.0	90.0	
2006					



Explanatory Note

This is attempting to measure the level of customer service via telephone by counting the number of telephone calls offered and the number answered versus abandon before being answered. The Department strives to increase the level of service by answering as many phone calls as possible from its customers. The number of telephone calls offered are counted. Those that are answered are considered handled whereas those that the taxpayer hangs up on before being connected to a representative are considered abandon.

Title or brief description of the primary data source(s)

Telephone calls received in the Rockwell phone system.

Describe how the measure is calculated

The number of telephone calls offered are counted by the telephone system. Those answered are considered handled; those that end in a hangup are considered abandon. The percentage of those handled is calculated by dividing handled by total calls offered.

Describe how the target is calculated

The Executive Team, Commissioner, and the Assistant Commissioner for Customer Services set this target using historical performance data.

